GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1488
ANSWERED ON:02.12.2005
LOAN UNDER PMRY
Reddy Shri Karunakara G.

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government have received complaints from the States and beneficiaries under Prime Minister Rojgar Yojana (PMRY) about large scale rejection of applications and delay in sanctioning and isbursement of loans by the Public Sector Banks:

(b) if so. the details of complaints received during each of the last two years, State-wise, particularly in respect of Karnataka;

(c) Banks which are major defaulters in this regard:

(d) the remedial measures the Union Government have taken/proposed to be taken in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (c) According to the information available from RBI. no specific complaints have been received from States and beneficiaries.

(d) RBI and Government of India have initiated the ollowing steps for improvement of performance under PMRY and other allied schemes:â€”
(i) Banks have been advised to carry out scrutiny of rejected applications by a higher authority from their controlling/Head Office.
(ii) Banks have been instructed to dispose of applications for loans upto Rs. 25,000 within 2 weeks and upto Rs. 2 lakh within 4 weeks, provided the loan applications are complete in all respects.
(iii) Time frames have been laid down for receipt of applications from the DICs to banks and thereafter sanction ana disbursements of loans by banks.
(iv) Banks have been instructed to set-up training institutes jointly with the State Governments by utilizing the existing infrastructure of the Industrial Training Institutes (ITIs) and Small Industries Service Institutes (SISIs).
(v) State Governments have been advised to identify viable activities jointly with banks at the District level.
(vi) Discussions are held by concerned nodal Departments with the bank branches in Block Level Bankers` Committee (BLBC) meetings to ensure early sanction of pending applications.
(vii) Regular review meetings are held at District and State Levels to monitor the progress of these schemes.